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15 San Francisco

16 UNITED STATES BANKRUPTCY COURT  
17 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

18 In re  
19 THE ROMAN CATHOLIC ARCHBISHOP  
OF SAN FRANCISCO,

20 Debtor and  
21 Debtor in Possession.

Case No. 23-30564

Chapter 11

**STATEMENT OF METHODOLOGY  
REGARDING THE DEBTOR'S  
SCHEDULES OF ASSETS AND  
LIABILITIES AND STATEMENT OF  
FINANCIAL AFFAIRS**

*No Hearing Requested*

24  
25 The Roman Catholic Archbishop of San Francisco, as debtor and debtor in possession in  
26 the above-captioned chapter 11 case (“RCASF” or the “Debtor”), has filed Schedules of Assets  
27 and Liabilities (the “Schedules”) and a Statement of Financial Affairs (the “Statement”) with the  
28 United States Bankruptcy Court for the Northern District of California (the “Court”). The Debtor,

1 with the assistance of its legal and financial advisors, prepared the Schedules and Statement in  
2 accordance with section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and  
3 Rule 1007 of the Federal Rules of Bankruptcy Procedure. These Schedules and Statement are  
4 unaudited.

5 This *Statement of Methodology Regarding the Debtor’s Schedules of Assets and Liabilities*  
6 *and Statement of Financial Affairs* (the “Global Notes”) pertains to the Debtor’s Schedules and  
7 Statement, and the amendments thereto. Joseph J. Passarello, who serves as the Debtor’s Senior  
8 Financial Director and is an authorized signatory of the Debtor, has signed the Schedules and  
9 Statement. In reviewing and signing the Schedules and Statement, Mr. Passarello has necessarily  
10 relied upon the efforts, statements, advice, and representations of personnel of the Debtor and the  
11 Debtor’s legal and financial advisors and has completed the Schedules and Statement to the best of  
12 his knowledge. In preparing the Schedules and Statement, the Debtor also relied upon information  
13 derived from its books and records that was available at the time of such preparation.

14 The Debtor and its agents, attorneys, financial advisors, and restructuring advisors hereby  
15 reserve all of their rights to amend, supplement, or otherwise modify the Schedules and Statement  
16 as may be necessary or appropriate.

17 **A. Methodology.**

- 18 1. **Basis of Presentation.** Except as otherwise stated, the Schedules and Statement do  
19 not purport to represent financial statements prepared in accordance with Generally  
20 Accepted Accounting Principles in the United States (“GAAP”) nor are they  
21 intended to be fully reconciled to the financial statements of the Debtor. The  
22 Schedules and Statement contain unaudited information that is subject to further  
23 review and potential material adjustment. The Schedules and Statement reflect the  
24 Debtor’s reasonable efforts to report the assets and liabilities of the Debtor.
- 25 2. **Duplication.** Certain of the Debtor’s assets, liabilities, and prepetition payments  
26 may properly be disclosed in response to multiple parts of the Schedules and  
27 Statement. To the extent these disclosures would be duplicative, the Debtor may  
28 only list such assets, liabilities, and prepetition payments once.
- 29 3. **Net Book Value.** In certain instances, current market valuations for individual  
30 items of property and other assets are neither maintained by, nor readily available  
31 to, the Debtor. Accordingly, unless otherwise indicated, the Debtor’s Schedules  
32 and Statement reflect approximate net book values as of the Petition Date, which  
33 may not reflect depreciation expense for the most recently ended fiscal year.  
34 Market values may vary – at times materially – from net book values. The Debtor  
35 believes that it would be an inefficient use of estate assets for the Debtor to obtain  
36 the current market values of its property and other assets. Accordingly, the Debtor

has indicated in the Schedules and Statement that the values of certain assets and liabilities are undetermined. Also, assets that have been fully depreciated are listed in these Schedules and Statement with a zero-dollar value, as such assets have no net book value.

4. **Property and Equipment.** Unless otherwise indicated, owned property and equipment are valued at net book value. The Debtor may lease furniture, fixtures, and equipment from certain lessors. To the extent possible, any such leases are listed in the Schedules.
5. **Undetermined Amounts.** The description of an amount as “undetermined,” “unknown,” or “unliquidated” is not intended to reflect upon the materiality of such amount.
6. **Totals.** All totals that are included in the Schedules and Statement represent totals of all known amounts. To the extent such totals include unknown or undetermined amounts, the actual total may be different than the listed total.
7. **Charitable Donations.** The Debtor occasionally receives funds from individuals and other Catholic entities which funds are remitted to the Debtor for the purpose of supporting charitable endeavors of the Debtor. The Debtor holds such funds in its accounts until it makes donations to other charitable endeavors. The amounts remitted and the remitting entities are not specifically reflected on the Schedules and Statement.
8. **Excluded Assets and Liabilities.** The Debtor may have excluded certain categories of assets and liabilities from the Schedules and Statement, including, but not limited to: certain deferred charges, accounts, or reserves recorded only for purposes of complying with the requirements of GAAP; goodwill and other intangibles; deferred revenue accounts; and certain accrued liabilities including, but not limited to, accrued salaries and employee benefits
9. **Currency.** Unless otherwise indicated, all amounts are reflected in U.S. dollars.
10. **Setoffs.** The Debtor may incur setoffs and net payments in the ordinary course of business. Although such setoffs and other similar rights may have been accounted for when scheduling certain amounts, these ordinary course setoffs are not independently accounted for and, as such, are or may be excluded from the Schedules and Statement. In addition, some amounts listed in the Schedules and Statement may have been affected by setoffs or nettings by third parties of which the Debtor is not yet aware.

**B. Specific Disclosures with Respect to the Debtor’s Schedules A/B**

1. **Part 1.** Details with respect to the Debtor’s cash management system and bank accounts are provided in the *Motion for Order (1) Authorizing Continued Use of Existing Cash Management System, Operational Bank Accounts, and Related Investment Account, (2) Excusing Compliance with Section 345(b), and (3) Authorizing Continued Use of Current Investment Policy* at ECF No. 9 (as supplemented from time to time, the “Cash Management Motion”). Amounts identified in Item 3 of Part 1 reflect actual amounts in the respective accounts as of the Petition Date and may vary from the amounts currently reflected in the Debtor’s books and records.

As described in the Cash Management Motion, there are certain bank accounts in the Debtor's name that exclusively hold funds subject to donor restrictions or on behalf of others. These accounts are listed in response to Item 3 of Part 1. While the Debtor and its professionals have used their good faith best efforts to determine which accounts contain funds that are subject to donor restrictions or held on behalf of others, the review of the Debtor's records is ongoing and may reveal additional restrictions or information.

2. **Part 3.** The Debtor's accounts receivable balances include amounts it treats as receivable from parishes on account of assessments. Because parishes may not be obligated to pay under applicable law, the Debtor may not have a vested property interest in receivable amounts. The Debtor reserves its rights with respect to the appropriate classification of such assessments.
3. **Part 9.** For the Debtor's owned real property, such owned real estate is reported at assessed value as of the Petition Date. The Debtor may have listed certain assets as real property when such assets are in fact personal property, or the Debtor may have listed certain assets as personal property when such assets are in fact real property. Buildings and land improvements are listed on Schedule A/B independent of whether the real property to which the building or land improvement is connected is Debtor-owned property.

Further, the Debtor has listed certain property that it holds in trust for the benefit of another entity in the Statement at Part 11, Question 21. The Debtor is civilly incorporated as "The Roman Catholic Archbishop of San Francisco," which is a California corporation sole. The Debtor holds only legal title to certain real and personal property in trust for the benefit of the parties listed under California trust law. In addition, the Code of Canon Law of the Roman Catholic Church requires that each entity within the geographic territory of the Archdiocese of San Francisco (the "Archdiocese")<sup>1</sup> (e.g., parish or other entity) is a separate entity within the Church. Except as otherwise stated, the property listed in the Statement at Part 11, Question 21 is held for the benefit of other entities within the geographic territory of the Archdiocese and is not property of the Debtor's estate.

4. **Part 10.** Because the Debtor does not attribute any book value to its donor lists and other intellectual property, the Debtor has listed these assets with undetermined values.

**C. Schedule E/F**

1. **Part 1.** The Court has authorized (or is anticipated to authorize) the Debtor, in its discretion, to pay certain liabilities that may be entitled to priority under the applicable provisions of the Bankruptcy Code (*i.e.*, employee wages, salaries and other compensation, reimbursable employee expenses and similar benefits). To the extent such Claims have been paid or may be paid pursuant to further Court order, they may not be included on Part 1 of Schedule E/F.
2. **Part 2.** The Debtor does not include certain deferred charges, deferred liabilities, accruals, or general reserves. Such amounts are, however, reflected on the Debtor's books and records as required in accordance with GAAP. Such accruals are

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<sup>1</sup> References to the term "Church" refer to the universal church of Roman Catholic belief, seated in the Vatican and currently headed by Pope Francis.

1 general estimates of liabilities and do not represent specific Claims as of the  
2 Petition Date.

3 Part 2 of Schedule E/F does not include obligations owed by third party insurance  
4 companies or other coverage providers on account of abuse-related liabilities,  
including, without limitation, defense costs due and owing to litigation defense  
counsel and related professionals.

5 **D. Specific Disclosures with Respect to the Debtor's Statement**

- 6 1. **Statement 7.** Statement 7 lists only those legal disputes and administrative  
7 proceedings that are formally recognized by an administrative, judicial, or other  
8 adjudicative forum as of the Petition Date. The Debtor has anonymized  
confidential matters in response to this question where disclosure would violate  
certain laws or where the investigating jurisdiction has requested confidentiality.
- 9 2. **Statement 21.** The Debtor has listed certain property that it holds in trust for the  
10 benefit of another entity in the Statement at Part 11, Question 21. As stated above,  
11 the Debtor is civilly incorporated as "The Roman Catholic Archbishop of San  
12 Francisco," a California corporation sole. The Debtor holds only legal title to  
13 certain real and personal property in trust for the benefit of the parties listed under  
14 California trust law. In addition, the Code of Canon Law of the Roman Catholic  
Church requires that each entity within the geographic territory of the Archdiocese  
is a separate entity within the Church. Except as otherwise stated, the property  
listed in the Statement at Part 11, Question 21 is held for the benefit of other  
entities within the geographic territory of the Archdiocese and is not property of the  
Debtor's estate.

15 Dated: December 14, 2023

16 FELDERSTEIN FITZGERALD WILLOUGHBY  
17 PASCUZZI & RIOS LLP

18 By /s/ Paul J. Pascuzzi

19 PAUL J. PASCUZZI  
20 JASON E. RIOS  
21 THOMAS R. PHINNEY

22 Attorneys for The Roman Catholic  
23 Archbishop of San Francisco

24 Dated: December 14, 2023

25 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

26 By /s/ Ori Katz

27 ORI KATZ  
28 ALAN H. MARTIN

Attorneys for The Roman Catholic  
Archbishop of San Francisco

Debtor Name **The Roman Catholic Archbishop of San Francisco**  
**United States Bankruptcy Court for the Northern District of California**  
Case number (if known): **23-30564**

☒ Check if this is an amended filing

Official Form 207

**Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**

04/22

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

**Part 3: Legal Actions or Assignments**

**7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

☐ None

Case title	Nature of case	Court or agency's name and address	Status of case
7.1 See attached Exhibit SOFA7			<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
Case number			

**Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own**

**21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☐ None

Owner's name and address	Location of the property	Description of the property	Value
21.1 See attached Exhibit SOFA 21			

**Part 14: Signature and Declaration**

**WARNING** Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on. 12/12/2023

MM / DD / YYYY

Printed name Joseph Passarello

Signature of individual signing on behalf of the debtor

Position or relationship to the debtor Senior Financial Director

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

☐ No

☒ Yes

# STATEMENT OF FINANCIAL AFFAIRS

## EXHIBIT PART 3, QUESTION 7

LEGAL ACTIONS, ADMINISTRATIVE PROCEEDINGS,  
COURT ACTIONS, EXECUTIONS, ATTACHMENTS, OR  
GOVERNMENTAL AUDITS



Case Title	Nature of Case	Court or Agency's Name and Address	Status of Case	Case Number
Gina Wilson v. ADSF	Wrongful termination	Worker's Comp Appeals Board 455 Golden Gate Ave, 9th Floor San Francisco, CA 94102	PENDING	ADJ10370846
Vittorio Anastasio v. ADSF	Wrongful termination	Dept. of Industrial Relations 1515 Clay St, Oakland, CA 94612	PENDING	WC-CM-386921
Rosalie Marcic v. ADSF	Wrongful termination and discrimination	United States District Court for the Northern District of California 450 Golden Gate Ave, Box 36060 San Francisco, CA 94102	PENDING	22-cv-07130-LB (N.D. Calif.)
Ryan Law v. Megan Armando et al.	Personal injury	San Mateo Superior Court 800 N Humboldt St, San Mateo, CA 94401	PENDING	22-CIV-01510
Victoria Castro v. ADSF	Slip and fall	San Mateo Superior Court 800 N Humboldt St, San Mateo, CA 94401	PENDING	19-CIV-06416
Michael Martinez v. ADSF	Breach of contract	San Francisco Superior Court 400 McAllister St, San Francisco, CA 94102	PENDING	CGC-23-606355
Robert Larsen v. ADSF	Age discrimination	California Department of Fair Employment and Housing 2218 Kausen Dr, Ste 100 Elk Grove, CA 95758	PENDING	202201-16000831
Paula Edmonson v. ADSF	Wrongful term, harassment, retaliation		PENDING	
Robert O'Connor v. ADSF	Wage claim and retaliation		PENDING	
David Steinberg v. ADSF	Personal injury		CONCLUDED	
Mia Sanchez v. ADSF	Slip and fall	San Francisco Superior Court 400 McAllister St, San Francisco, CA 94102	CONCLUDED	CGC-20-584645
Century Indemnity Company, Pacific Indemnity Company, and Westchester Fire Insurance Company v. The Roman Catholic Archbishop of San Francisco, a corporation shole, and DOES 1 through 50	Seeking declaratory relief for the purpose of resolving an insurance coverage dispute	Superior Court of the State of California County of San Francisco 400 McAllister St, San Francisco, CA 94102	PENDING	CGC-23-607975

STATEMENT OF FINANCIAL AFFAIRS

EXHIBIT  
PART 11, QUESTION 21

PROPERTY HELD FOR ANOTHER

Owner's name and address	Location of the property	Description of the property	Value
Vallombrosa Center 250 Oak Grove Ave Menlo Park, CA 94025	250 Oak Grove Ave Menlo Park, CA 94025	Retreat center	\$3,133,204.00
Payroll held in trust for parishes		Cash	\$5,942,032.81
Archbishop Riordan High School 175 Frida Kahlo Way San Francisco, CA 94112		Charles Schwab Investment Account	\$6,979,324.61
Catholic Charities CYO of the ADSF 900 Eddy St San Francisco, CA 94109		Charles Schwab Investment Account	\$221,189.12
The Contemplatives of Saint Joseph 377 Willow Ave S San Francisco, CA 94080		Charles Schwab Investment Account	\$995,302.21
Holy Cross Cemetery and Mausoleum P.O. Box 1577 Colma, CA 94014		Charles Schwab Investment Account	\$6,594,673.24
Marin Catholic High School 675 Sir Francis Drake Blvd Kentfield, CA 94904		Charles Schwab Investment Account	\$15,097,639.16
Sacred Heart Cathedral Preparatory 1055 Ellis St San Francisco, CA 94109		Charles Schwab Investment Account	\$18,040,371.07
Junipero Serra High School 451 W 20th Ave San Mateo, CA 94403		Charles Schwab Investment Account	\$1,060,932.27
St Brigid Elementary School 2250 Franklin St San Francisco, CA 94109		Charles Schwab Investment Account	\$284,225.91
St Thomas More Church 50 Thomas More Way San Francisco, CA 94132		Charles Schwab Investment Account	\$350,775.23
St. Thomas More School 1515 Dolan Ave San Mateo, CA 94401		Charles Schwab Investment Account	\$105,283.03
Vallombrosa 250 Oak Grove Ave Menlo Park, CA 94025		Charles Schwab Investment Account	\$230,354.30
Various Pooled Investment Owners Schwab ADSF Depositors Corpus 355 S. Grand Ave, Ste 110 Los Angeles, CA 90071		Charles Schwab Investment Account	\$675,902.57
Parishes and Schools Coordinated Payroll P.O. Box 15284 Wilmington, DE 19850		Bank of America Checking Account	\$5,942,032.81
<b>Total</b>			<b>\$65,653,242.34</b>